

The GAO report specifically examined the Corps' economic justification for the Delaware River channel deepening project. It found "miscalculations, invalid assumptions and outdated information" led the Corps to overestimate the project benefits by over 300 percent. It found that the Corps had violated basic economic principles in its economic feasibility studies, projecting benefits of over \$40 million a year, when, in fact, the GAO found the benefits would be approximately one-third of that amount.

According to the GAO, the Corps had "misapplied commodity growth rate projections, miscalculated trade route distances, and continued to include benefits for some import and export traffic that has declined dramatically over the last decade."

One of the most egregious examples of bad economics in the report found that the Corps assumed the same one-way distance for each of several trade routes, including the distance from Pennsylvania to Australia, to South America, Europe and the Mediterranean.

The Corps is supposed to have a system of controls in place to catch these errors. Unfortunately, the GAO report concluded that the Corps' quality control system was "ineffective in identifying significant errors and analytical problems."

In order to restore the public confidence in the Corps, we need to ensure that other Corps projects around the country do not suffer from the same economic errors. It is clear that the system currently in place is not functioning correctly if it failed to catch such errors as the Delaware project's. That is why I am working with my colleagues in the Corps Reform Caucus to propose a system of independent peer review for Corps projects. Many of the mistakes identified by the GAO report could have been identified and remedied by independent peer review.

This process that my colleagues in the House and the Senate and I are proposing would not lengthen the Corps' investigation and construction process. Indeed, contrary to the claims of some critics, a streamlined review process could be applied to Corps projects around the country that meet certain criteria, actually speeding up the study and construction progress.

Take the Delaware River project, for example. It has been studied for 10 years, since 1992. Now the GAO is recommending after a decade that the Corps prepare a new and comprehensive economic analysis of the project's costs and benefits, address uncertainties, engage an external independent party to review the economic analysis, and then resubmit that to Congress. This extra review could take years to complete and could have been avoided entirely with independent peer review.

The Army Corps of Engineers has made enormous contributions to our Nation's history, to its infrastructure development, and continues to play an

essential role in water resources management. However, as the GAO report pointed out, this is one of several incidents that have eroded the public's trust in this planning process.

I look forward to working with my colleagues to make sure that all the Corps projects are economically justified and based on sound environmental science. Currently our Subcommittee on Water Resources of the Committee on Transportation and Infrastructure is working on the reauthorization of the Water Resources Development Act, which directs these Corps operations. This is a timely opportunity to develop legislative language to achieve these reforms.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. WELDON) is recognized for 5 minutes.

(Mr. WELDON of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ISSUES CONCERNING HOMELAND SECURITY DEPARTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, I am pleased that the President's homeland security bill was delivered today. I am on two committees that have been considering homeland security, so I particularly welcome the President's work. Some of us have been there for over a year now, even a year before September 11.

All or parts of some agencies are, of course, to go together in a new department. When I say "all or parts," I am indicating simply one of the details to be decided. The devil may be in the details, but so are the angels.

I would like to tease out three issues that I think can be dealt with if we look them squarely in the face and understand they should not be barriers.

First, there is the unfortunate issue of silence or delay on Civil Service protection for the thousands of workers that would be coming. We could begin by, it seems to me, conceding that wholesale denial of Civil Service status would create an unnecessary issue and would be very unfortunate.

We are talking about people who do many different kinds of things, most of them not related to anything that could remotely be considered the Nation's security. The mantra will be, "Hey, let's decide all of that later." That creates needless uncertainty and opposition to this bill. Most of these employees will be doing what they have always been doing. The few who will be handling truly confidential information should be treated accordingly.

We must not let homeland security become like the use of other overbroad

terms, like "executive privilege" or "national security." There ought to be a presumption in favor of Civil Service status for these employees. If you can overcome it, that is one thing. Let us not begin by saying let us strip these workers of their Civil Service status.

Let me raise two other concerns. District of Columbia concerns. Wisely, the District and the President have understood the District of Columbia is the first responder for the entire Federal presence, the White House, the Congress, many Federal employees, 200,000 of them, all of those facilities.

In one of the bills I was able to place the District at the table so that the District can coordinate all that is necessary in order to be a first responder. In fact, the Justice Department Terrorism Task Force has been working just that closely with the District.

In the President's bill I will seek to insert such an understanding. The President, I think, already understands this. The President has asked our own Mayor, Tony Williams, to be a part of his Homeland Commission that he just formed this week, so I think he understands that the first responder has to be in on the details from the beginning.

Finally, there is the issue of where to locate the Department. The troubling word in the Washington Post today is about the possible location outside the District of Columbia. It was said this was only in the discussion phase. Let it stop there. I bring to the floor not only my own parochial concerns, that this is the Nation's Capital, and this is where important Cabinet agencies should be. There have executive orders for decades now indicating that. But I have a more important reason to offer.

The United States Government owns and controls 180 acres 3 miles from the Capitol with all the possibility for the setbacks. We probably only need 20 or 30 of those acres. It is the old Saint Elizabeth's Hospital campus, with some of the best views in Washington. FEMA is already looking at this land for its new headquarters. It is close in. It would not cost us any money. If you try to go somewhere outside of Washington, you will get wholesale opposition from those communities because they do not want their land off the tax rolls. Ours is already off. The Federal Government already owns it. The District is making use of the east campus for a new public safety communications facility. It makes sense for us to look very closely at the Saint Elizabeth's campus, this huge campus, if we are talking about placing another huge agency under the aegis of our own government.

These are matters that should not become issues. They will require study. They will mean that we have to take our time to get at the details, put them on the table and consider all the options, instead of jumping to conclusions about where to locate the agency or who to strip of his job protection.

Let us not put unnecessary issues on the table. There will be many hard

issues on the table. The issues I have named, these three issues, where to locate, to make sure that the District is included in the bill, and to make sure that people are not stripped of their Civil Service protection, these should be easy issues if we mean to get this bill out by September 11, or certainly by the time we leave to go home at the end of this session.

THE HIGH PRICE OF PRESCRIPTION DRUGS IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise today to talk about an issue that more and more Americans are aware of, and that is, first of all, the high price that Americans pay for prescription drugs, but, more important even than that, the difference between what Americans pay and what the rest of the world pays for the same drugs.

I have with me a chart that I have updated several times over the last several years, and it is one of those areas where the more you learn about this, the angrier you become at the system.

Let me point out some of the prices, because I know these are hard to read here in the Chamber and on C-SPAN. But let me point out a few of these.

Here we have Augmentin, a very commonly prescribed drug. The average price in the United States for a 30-day supply, \$55.50. That same drug in Europe on average sells for \$8.75.

Let us take a drug like Claritin. Claritin is a drug going off of patent. It still sells in the United States when we made up this chart for about \$89. In Europe, the same drug sells for \$18.75

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Another drug that many Americans are very familiar with is the drug Premarin. Many women take the drug Premarin, especially as they reach menopause. Mr. Speaker, \$55.42 is the American price; \$8.95 if you buy that drug in Europe. It goes on and on. Zolof, a very commonly prescribed drug; in the United States a 30-day supply is \$114; in Europe it is \$52.50.

Let me point out another very important drug that has done a lot of good in this country and around the world for people who suffer from diabetes, and something like 27 percent of all Medicare expenditures are diabetes related. Glucophage in the United States costs \$124.65, and in Europe that drug is only \$22.

Now, what we are talking about here are the same drugs made in the same FDA-approved facilities that are sold in both places. It would be easy for us to come to the floor of the House and say, shame on the pharmaceutical industry. Well, I am not here to say shame on the pharmaceutical industry. They are only doing what any capitalist company would do, and that is that they are maximizing their market opportunities.

Now, it is not shame on the pharmaceutical industry. It is shame on the FDA, and it is shame on us here in Congress for allowing this to happen.

I want to point out something else, and then I will yield to the gentleman from Georgia. Why this gets very important is because last year, according to the National Institutes of Health Health Care Management, prescription drugs went up 19 percent here in the United States. The average Social Security cost of living adjustment was only 3.5 percent. One more chart I will show, because this is the most difficult one of all.

Earlier, one of our colleagues, the gentleman from California (Mr. FILLNER), was talking about affordability; and affordability is the real issue. It is not about coverage; it is about affordability. He said that there was not enough coverage in the Republican plan that the members of the House Committee on Ways and means and the Committee on Commerce are putting together.

Well, here is the number that the Congressional Budget Office tells us. Over the next 10 years, this is how much they estimate seniors will spend on prescription drugs. This is a 1 and then an 8, and then 000,000,000,000; that is \$1.8 trillion. We cannot afford prescription drugs because the prices are too high. If we could do what some of us want to do, and that is at least open up the American markets to imports, we could save at least 35 percent. Mr. Speaker, I say to my colleagues, 35 percent of \$1.8 trillion is \$630 billion just for seniors, just over the next 10 years.

Mr. Speaker, I yield to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I appreciate the gentleman yielding to me. I want to say the great advantage of reimportation is not only does it save money now, it does it without a new government program, and it is a market-driven change.

The gentleman often quotes Ronald Reagan, who said that markets are powerful things, more powerful than armies. Here we already have groups like Canada Meds. I am not familiar with it, but I understand it is on the Internet. Canada Meds can save American seniors right now on their prescriptions, of all of the drugs that the gentleman mentioned, 30, 40, 50 percent routinely. It is not just for people who are 65 years old. If you are a mother with three kids and they have earaches, as small children frequently do, you can save that money today. This is going to happen with or without the United States Congress.

Mr. Speaker, I agree with the gentleman. Shame on the FDA, and shame on the United States Congress for not passing a law to let the neighborhood pharmacist take advantage of these low Canadian prices.

BRINGING DOWN THE COST OF PRESCRIPTION DRUGS

The SPEAKER pro tempore (Mr. SCHROCK). Under a previous order of the House, the gentleman from Georgia (Mr. KINGSTON) is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, I will start off by yielding to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I want to come back to something that the gentleman from Georgia just said, and I think it is an important comment. What we are talking about now is the prescription drug benefit under Medicare that will benefit seniors, and it will benefit seniors. We are going to put \$350 billion into a program and that clearly will benefit seniors. But it will do nothing for those families right now who are struggling to pay for expensive drugs because they have a sick child. That is where, if we allowed reimportation, we could dramatically bring down the price of drugs, not just for seniors, but for everybody.

Mr. KINGSTON. Mr. Speaker, here is a letter from a woman in Colorado who says that she actually is now getting her Tamoxifen from Canada. It took a little longer to get the prescription filled, but it is \$160 savings every 2 months, \$80 a month savings. That is a lot of money for somebody on a fixed income.

Mr. GUTKNECHT. Mr. Speaker, that is almost \$1,000 a year.

Mr. KINGSTON. Absolutely. There are some other things that we have talked about that we think Congress should do to continue to decrease the price of drugs. We mentioned reimportation; we mentioned the prescription drug benefit on Medicare. But there are also issues such as malpractice reform, patent reform, decreasing the time for drug approval that it takes the FDA to sign off on a new drug, and also to look into the overprescription. The gentleman may know that the University of Minnesota has actually done studies on this where they have found as high as 40 percent of the drugs taken by seniors no longer need to be taken, or the prescription is actually wrong, and that is costing millions and millions of dollars each year.

Mr. GUTKNECHT. Mr. Speaker, if the gentleman will yield, I think we have to attack this problem on many fronts. The more we learn about it, the more we realize there are an awful lot of problems.

One of them is all of the money that the pharmaceutical companies are spending on marketing. I happen to believe in free speech, so they ought to be able to advertise; but we ought to at least know how much of that drug dollar is going to advertising. They ought to have to disclose that to people like us so that seniors know how much they are spending on marketing.

Mr. KINGSTON. Mr. Speaker, there are some companies who are actually leading the way. Eli Lilly, to their